

2020-2021 Budget

Budget Public Hearing May 4, 2020

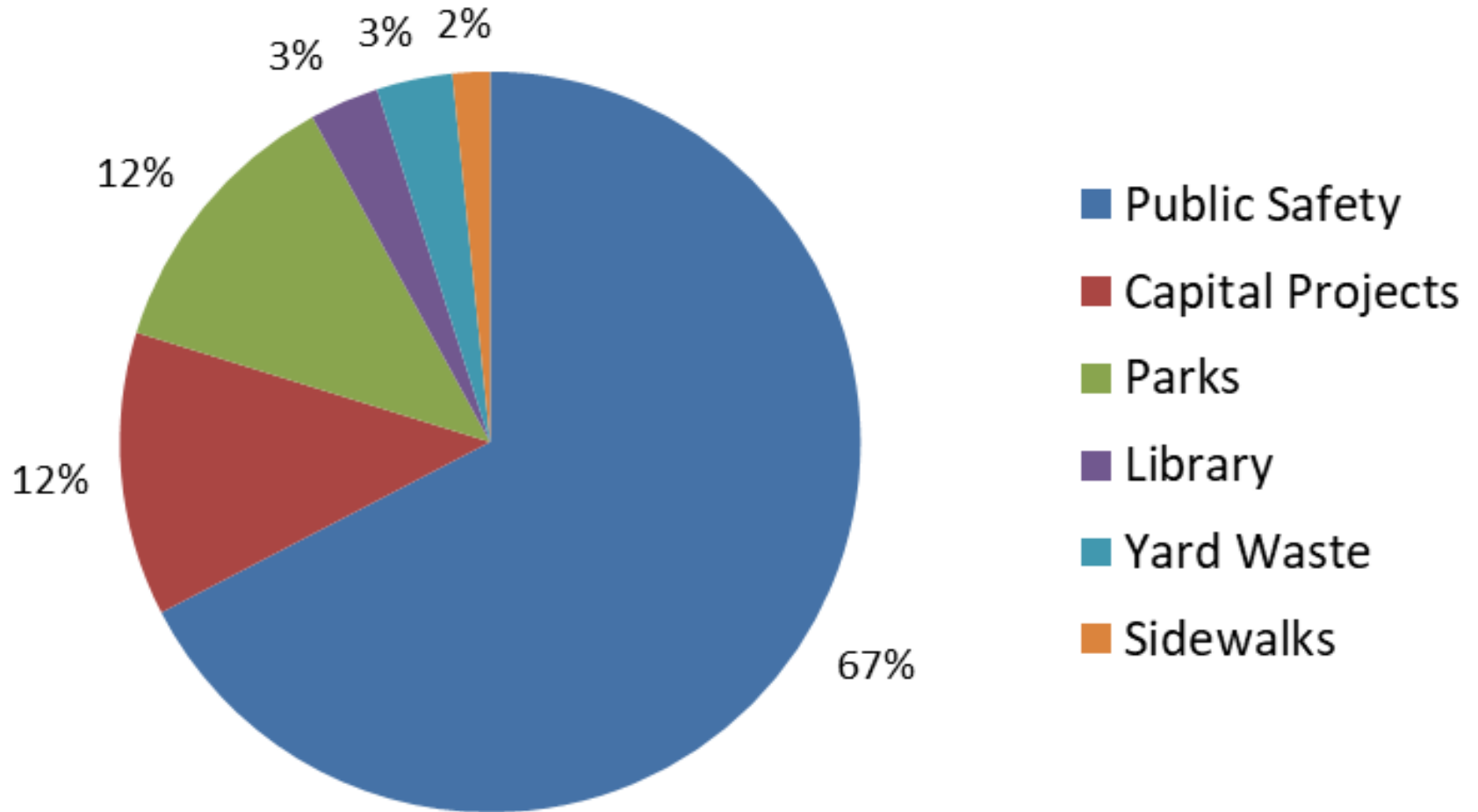
Property Tax Millage Rates

	Actual						Final
	2015	2016	2017	2018	2019	2020	2021
General Operations	4.6695	4.6695	4.6695	4.8938	4.8938	4.8571	4.8347
Fire Services	0.7500	0.7500	0.7500	0.7487	0.7487	0.7430	0.7394
Police Services	1.2500	1.2500	1.2500	1.2478	1.2478	1.2384	1.2326
Parks & Recreation	1.5000	1.5000	1.5000	1.4973	1.4973	1.4860	1.4791
Sidewalks	0.2000	0.2000	0.2000	0.1996	0.1496	0.1484	0.1974
Yard Waste	0.3500	0.3500	0.3500	0.3500	0.4000	0.4000	0.4000
Library Maintenance	0.1000	0.3700	0.3700				
Library Debt Service	0.2700						
Library Ops/Parks Capital				0.3693	0.3693	0.3665	0.3648
Capital Projects	1.5678	1.5678	1.5678	1.5650	1.5650	1.5532	1.4960
Public Safety	1.2500	1.2500	1.2500	1.2477	1.2477	1.2383	1.2348
Total Mills	11.9073	11.9073	11.9073	12.1192	12.1192	12.0309	11.9788

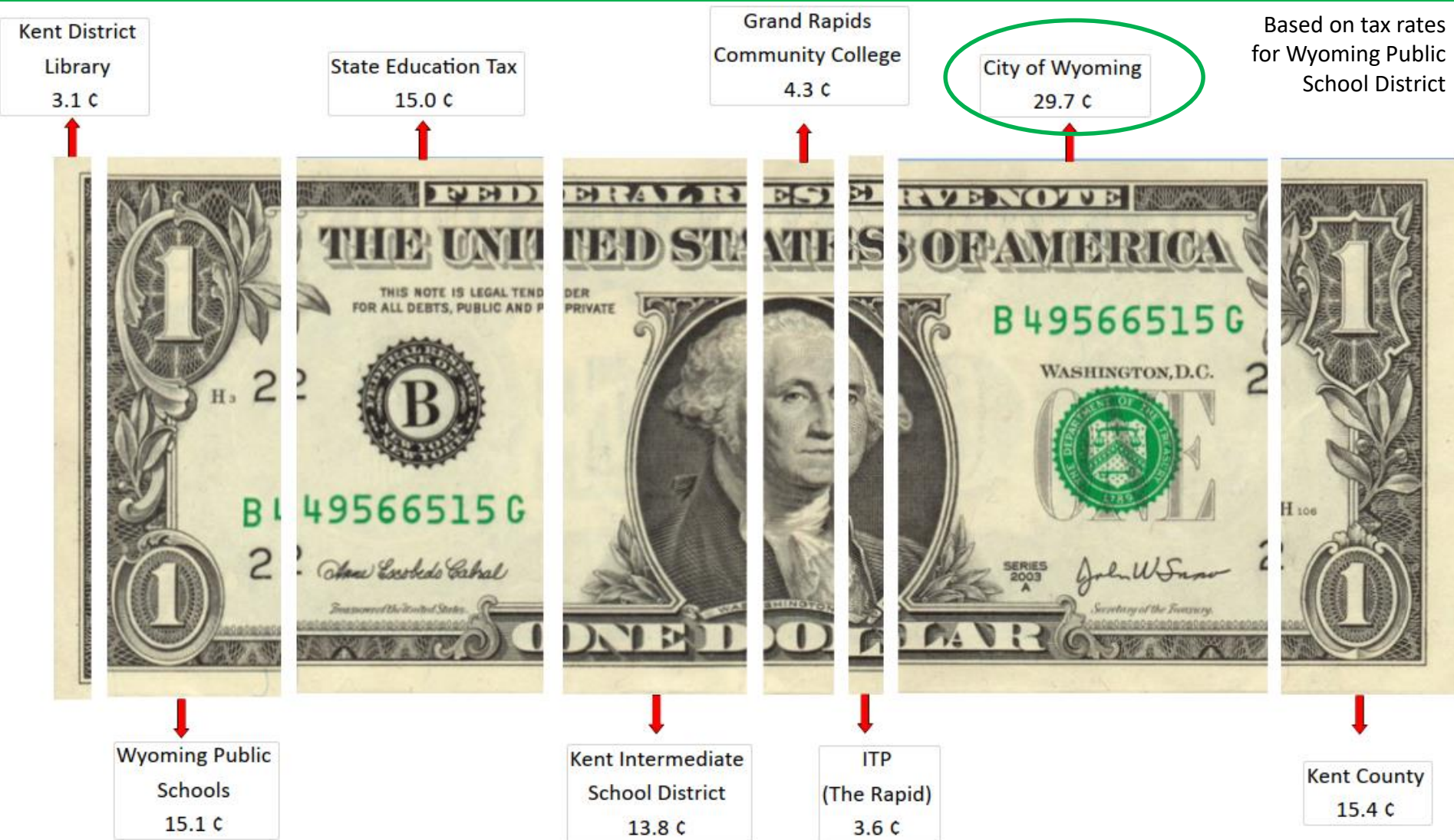
	Authorized*	Headlee Limit	Levied	Available
Charter-Aggregate	11.0900	10.3940	10.3440	0.0500
Charter-Public Safety	1.2500	1.2348	1.2348	-
State-Yard Waste	3.0000	2.7502	0.4000	2.3502
Total Tax Rate	15.3400	14.3790	11.9788	2.4002

* Millage Authorized by Election, Charter, etc.

Breakdown of City Tax



Where does my tax dollar go?



Business Assistance

	Value	Impact
IFTs	\$ 29,287,566	\$ 350,780
Brownfields	\$ 4,704,648	56,348
PILOTS	\$ 3,855,835	21,884
	\$ 33,992,214	\$ 429,012

Revenue Impact by Fund

• General Fund	\$287,968	• Yard Waste	\$14,432
• Parks	\$52,980	• Library	\$13,067
• Sidewalks	\$6,889	• Capital Projects	\$53,677

Summary of Personnel Changes

- No new positions included in budget
- Water Plant – Elimination of Custodian
- Public Works – Elimination of Deputy Director
- Public Works – Change seasonal position to permanent part time

2020 Budget: **354 FTE**

2021 Budget: **352.5 FTE**

2021 Summary of Funds Included in Budget

	Estimated Beginning Fund Balance	Revenues and Other Sources	Expenditures and Other Uses	Excess (Deficiency)	Fund Balance End of Year
General Fund	\$ 11,868,507	\$ 34,075,155	\$ 36,352,624 →	\$ (2,277,469)	\$ 9,591,038
Major Streets	2,269,607	6,895,000	8,384,947 →	(1,489,947)	779,660
Local Streets	445,939	2,035,000	2,226,971	(191,971)	253,968
Public Safety	67,574	2,844,625	2,844,625	-	67,574
Fire	2,476	1,679,171	1,679,171	-	2,476
Police	3,512	2,799,376	2,799,376	-	3,512
Parks & Recreation	377,229	3,997,124	3,916,302	80,822	458,051
Sidewalk Snow Removal	161,187	448,330	445,228	3,102	164,289
Solid Waste Disposal	648,672	917,430	1,046,972	(129,542)	519,130
Building Inspections	1,319,959	1,676,614	1,624,999	51,615	1,371,574
Community Dev. Block Grant	-	816,030	816,030	-	-
Indigent Defense	403	-	-	-	403
Drug Law Enforcement	50,444	-	44,000	(44,000)	6,444
Capital Improvement	921,278	3,397,230	3,058,917	338,313	1,259,591
Library Maintenance	1,426,699	885,920	734,406	151,514	1,578,213
Sewer Total	18,151,769	21,022,000	24,243,095 →	(3,221,095)	14,930,674
Water Total	12,888,740	25,379,960	23,606,350	1,773,610	14,662,350
Motor Pool Total	5,674,581	5,717,072	5,250,977	466,095	6,140,676
Total	\$ 57,348,734	\$ 114,603,666	\$ 119,074,990	\$ (4,507,432)	\$ 52,841,302

Deficit Highlights

General Fund

- Decrease in state shared revenue estimates
- One-time expenditures of over \$1.3 million

Major & Local Streets Funds

- Continued focus on resurfacing
- Goal is to maintain approx. \$1 million in fund balance between two funds which represents the amount needed to fund two back to back bad winters

Sewer Fund

- UV disinfection project budgeted at \$5.2 million

Insurance, Pension, OPEB, and Capital Projects Revolving Funds

Self Insurance Funds:

General Liability	\$ 2,085,987	\$ 476,744	\$ 493,019	\$ (16,275)	\$ 2,069,712
Fleet Insurance	552,423	150,000	138,559	11,441	563,864
Property Insurance	1,730,091	138,185	282,853	(144,668)	1,585,423
Life Insurance	13,132	32,976	29,400	3,576	16,708
Worker's Compensation	3,199,579	653,325	657,195	(3,870)	3,195,709
Health Insurance	3,547,789	10,279,700	10,844,826	(565,126)	2,982,663
Dental Insurance	378,680	425,000	369,760	55,240	433,920
Self Insurance Sub-Total	<u>11,507,681</u>	<u>12,155,930</u>	<u>12,815,612</u>	<u>(659,682)</u>	<u>10,847,999</u>
Pension Fund	184,095,534	16,554,530	13,146,567	3,407,963	187,503,497
OPEB Fund	48,786,462	7,990,750	3,285,380	4,705,370	53,491,832
Capital Projects Revolving	1,070,158	17,629	36,108	(18,479)	1,051,679
Total	<u>\$ 245,459,835</u>	<u>\$ 36,718,839</u>	<u>\$ 29,283,667</u>	<u>\$ 7,435,172</u>	<u>\$ 252,895,007</u>

General Fund – 2021 Budget

	2020 Adopted Budget	2020 Amended Budget	Estimated Amount	2021 Proposed
Revenue				
Taxes	\$ 12,467,366	\$ 12,467,366	\$ 12,431,515	\$ 12,750,565
Licenses and Permits	1,050,000	1,050,000	1,067,000	1,023,000
Federal Grants	-	233,488	173,116	4,980
State Grants	7,376,848	7,473,172	6,977,943	6,901,089
Contributions from Local Units	283,680	463,680	404,940	278,358
Charges for Service	3,609,923	3,609,923	3,612,359	4,039,321
Fines and Forfeitures	1,700,000	1,700,000	1,400,000	1,500,000
Interest and Rentals	292,280	292,280	334,366	93,970
Other Revenues	134,300	153,210	157,610	135,700
Other Financing Sources	7,180,480	7,180,480	7,180,480	7,348,172
Revenue Totals	34,094,877	34,623,600	33,739,329	34,075,155
Expenditures				
Personnel Services	26,909,764	27,085,487	25,618,723	27,146,887
Supplies	623,751	652,987	623,881	672,438
Other Services and Charges	7,247,290	7,748,890	7,250,594	7,229,801
Capital Outlay	664,500	829,172	763,034	1,303,497
Transfers Out	-	7,161	7,161	-
Expenditure Totals	35,445,305	36,323,697	34,263,393	36,352,624

General Fund – 2021 Budget

	<u>2020 Adopted Budget</u>	<u>2020 Amended Budget</u>	<u>Estimated Amount</u>	<u>2021 Proposed</u>
Revenue Totals	34,094,877	34,623,600	33,739,329	34,075,155
Expenditure Totals	35,445,305	36,323,697	34,263,393	36,352,624
Change in Fund Balance	(1,350,428)	(1,700,098)	(524,064)	(2,277,469)
Fund Balance, Beginning	12,392,571	12,392,571	12,392,571	11,868,507
Fund Balance, Ending	11,042,143	10,692,473	11,868,507 34.6%	9,591,038 26.4%

General Fund – 5x5

	FYE Estimate <u>2020</u>	Budget <u>2021</u>	Projected <u>2022</u>	Projected <u>2023</u>	Projected <u>2024</u>	Projected <u>2025</u>
Beginning Reserves	12,392,571	11,868,507	9,591,039	7,240,887	4,608,924	1,653,470
Revenues	33,739,329	34,075,155	34,614,659	35,138,509	35,648,205	36,182,668
Expenses	34,263,393	36,352,624	36,964,811	37,770,473	38,603,658	39,461,759
Surplus or (Deficit)	(524,064)	(2,277,469)	(2,350,151)	(2,631,964)	(2,955,453)	(3,279,091)
Ending Reserves	11,868,507	9,591,039	7,240,887	4,608,924	1,653,470	(1,625,620)
Fund Balance as a % of Exp	34.6%	26.4%	19.6%	12.2%	4.3%	-4.1%

Includes 100% of personnel costs

Includes average of \$500,000 in capital outlay for 2022-2025

Includes 100% of retiree health care (OPEB) funding for 2022-2025

General Fund – 5x5

	FYE Estimate 2020	Budget 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025
Beginning Reserves	12,392,571	11,868,507	10,274,091	8,911,106	7,288,732	5,366,141
Revenues	33,739,329	34,075,155	34,614,659	35,138,509	35,648,205	36,182,668
Expenses	34,263,393	35,669,571	35,977,644	36,760,883	37,570,796	38,404,737
Surplus or (Deficit)	(524,064)	(1,594,416)	(1,362,985)	(1,622,374)	(1,922,591)	(2,222,068)
Ending Reserves	11,868,507	10,274,091	8,911,106	7,288,732	5,366,141	3,144,073
Fund Balance as a % of Exp	34.6%	28.8%	24.8%	19.8%	14.3%	8.2%

Includes 97% of personnel costs

Includes average of \$500,000 in capital outlay for 2022-2025

Includes 100% of retiree health care (OPEB) funding for 2022-2025

General Fund – Highlights

• Court – HVAC replacement	\$90,000
• Clerk – Tabulator modem upgrades	\$9,000
• IT – Computer infrastructure equipment	\$110,000
• Police – Air conditioning units	\$177,000
• Police – Crime/accident reconstruction device	\$45,000
• Police – Forensic science unit accreditation	\$13,000
• Police – In-car cameras, tasers, body cameras	\$750,000
• Police – Portable radios (800MHz conversion)	\$27,000
• Fire – Windows at 36 th St & Gezon; caulking (all)	<u>\$101,000</u>
TOTAL	\$1,322,000

Future General Fund Concerns

- OPEB (Retiree Health Insurance) Costs
 - FY 2021 annual recommended contribution \$2,520,000
 - Over \$23,070,000 in unfunded liability remains
- State Revenue Sharing/PPT Reimbursements
 - Funding remains uncertain for the future
 - COVID-19 pandemic impact unknown

Other Fund Highlights

Police Department Expenditures:

- K-9 replacement \$ 4,000
- Drug ID machine operating system \$ 6,000
- Part of crime/accident scene device \$ 14,000
- Handheld drug scanner \$ 20,000

Motor Pool Fund:

- 14 Replacement Vehicles \$ 995,000
- Equipment and Building Capital \$ 443,000

Parks & Recreation – Highlights

• Computer Upgrades	\$ 4,365
• Tree Planting	\$ 10,000
• Crack sealing of parking lots	\$ 5,000
• Hillcroft Park Playground*	\$ 35,000
• Kelloggsville Park Playground*	\$ 45,000
• Marquette Park Court Resurfacing*	\$ 30,000
• Marquette Park Parking Lot*	\$ 35,000
• Palmer Field Lighting*	\$ 175,000
• Senior Center HVAC*	\$ 10,000
• Senior Center Storage Unit*	\$ 4,000

* Funding from Library & Parks Capital Fund

Major & Local Streets – Highlights

Budgeted activities included for FY 2021:

- Over \$4,700,000 dedicated to resurfacing
- Continuation of durapatching and crack sealing

Major & Local Streets – Highlights

Estimates and budget adjustments related to
COVID-19 pandemic:

Major Streets

- Decrease of \$500,000 in state revenue for FY 2020
- Decrease of \$600,000 in state revenue for FY 2021
- Decrease of \$1,700,000 in expenditures in total over both years

Local Streets

- Decrease of \$200,000 in state revenue for FY 2020
- Decrease of \$200,000 in state revenue for FY 2021

Sewer Fund – Highlights

- Sliplining \$ 500,000
- AMI meter replacements \$ 120,000
- Upgrade to cake pump \$ 35,000
- Building W pump replacement \$ 80,000
- Ultraviolet disinfection \$5,200,000

Water Fund – Highlights

• AMI meter replacements	\$ 120,000
• Replace Bry-Air System – Phase 1	\$ 2,000,000
• Watermains	\$ 1,000,000
• Upgrade SCADA OS (Wonderware)	\$ 315,000
• Replace Multilins	\$ 150,000
• Gezon driveway replacement	\$ 70,000
• Renovate Filter Pipe Gallery	\$ 200,000
• Paint 5MG Storage Tank	\$ 120,000
• Multiple smaller equipment items	\$ 170,000

Large Projects coming, currently in engineering phase:

- FY 2022: 3rd Pipeline pipe line from Holland – Phase 1
- FY 2024: 2nd Lake Michigan intake pipe line

Payment In Lieu of Taxes

Sewer \$249,595

Water \$ 54,961

Total to General Fund \$304,556

Residential Impact (5/8" Meter)

\$2.74 per quarter

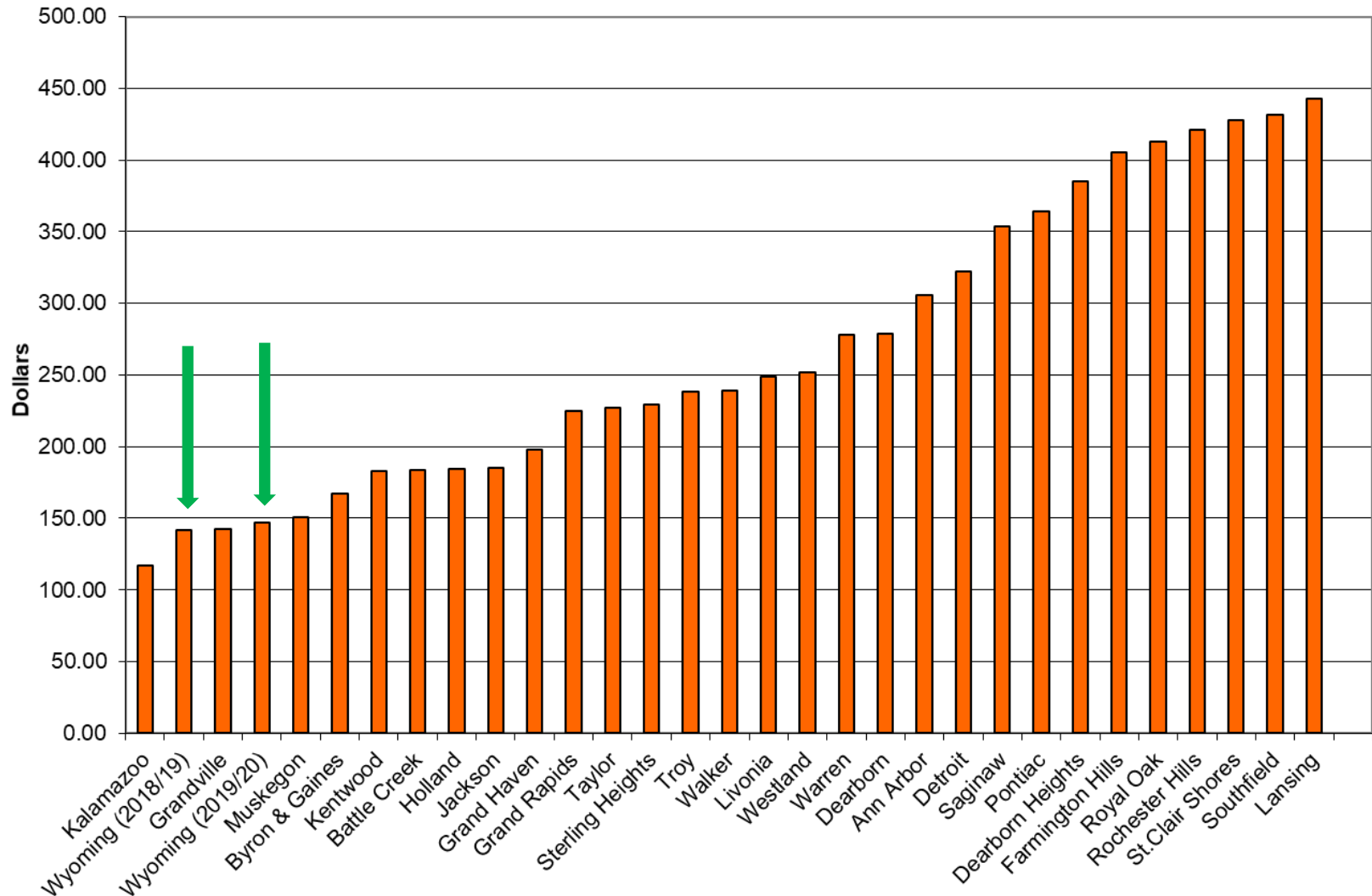
\$10.96 per year

Sewer & Water Rate Changes

<u>Fiscal Year</u>	<u>Ready to Serve</u>	<u>per HCF</u>	<u>Ave. Winter Quarter Bill</u>	<u>Ave. Non-Winter Quarter Bill</u>
Water FY 2020	\$24.01	\$1.48	\$49	\$75
Water FY 2021	24.37	1.61	52	80
Sewer FY 2020	17.96	2.94	68	76
Sewer FY 2021	18.23	2.94	69	76
Quarterly Total FY 2020			\$118	\$151
Quarterly Total FY 2021			\$120	\$156

Overall Impact of 3.1%

Average Residential Non-Winter Quarterly Water & Sewer Bill



City Response

General Fund

- Decrease of \$650,000 in estimated state revenue for 2020-2021
- Decrease of \$530,000 in state revenue for 2019-2020
- No additional personnel added to GF

Parks and Recreation Fund

- Decrease of \$30,000 in charges for services for 2019-2020

Building Inspection Fund

- Decrease of \$84,000 in licenses and permits for 2019-2020

Major Streets Fund

- Decrease of \$1,100,000 in estimated state revenue over 2 years
- Decrease of \$1,700,000 in estimated resurfacing over 2 years

Local Streets Fund

- Decrease of \$400,000 in estimated state revenue over 2 years

Success

Community, Safety, Stewardship

- No millage increase
- Budgeted to make full annual OPEB contributions
 - This will be evaluated as more information is available about the impact the COVID-19 pandemic might have on revenues
- Yearly asset management obligations met, with plans to meet future obligations
- Lead water service issues addressed and being confirmed
- PFAS levels nearly non-detectable
- Building construction levels were trending up
- New development has been on the increase
- 57% reduction in per capita debt
- Debt service as a percentage of noncapital expenses reduced from 9.7% in 2009 to 1.3% in 2018

Next Steps

May 18 Regular Meeting

- **FINAL BUDGET APPROVAL**
 - Street and Utility Capital Improvement Program
 - Fee schedule changes

June 15 Regular Meeting

- **BUDGETS FOR COMPONENT/RELATED UNITS**
 - Downtown Development Authority (DDA)
 - Brownfield Redevelopment Authority
 - Greater Wyoming Community Resource Alliance
 - Grand Valley Regional Biosolids Authority (GVRBA)